



State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

Michael O. Leavitt
Governor

Dianne R. Nielson, Ph.D.
Executive Director

Don A. Ostler, P.E.
Director

288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870
(801) 538-6146
(801) 538-6016 Fax
(801) 536-4414 T.D.D.
www.deq.state.ut.us Web

RECEIVED

FEB 02 2001

DIVISION OF
OIL, GAS AND MINING

m/023/007

Water Quality Board

K.C. Shaw, P.E.
Chairman

William R. Williams
Vice Chairman

Robert G. Adams
Nan Bunker

Ray M. Child, C.P.A.

John R. Cushing, Mayor

Neil K. Kochenour, M.D.

Dianne R. Nielson, Ph.D.

Ronald C. Sims, Ph.D.

Douglas E. Thompson, Mayor

J. Ann Wechsler

Don A. Ostler, P.E.
Executive Secretary

February 1, 2001

Mr. Stephen Flechner, President
North Lily Mining Company
1800 Glenarm Place, Suite 210
Denver, Colorado 80202

Subject: Approval of Extension use of Overflow and Pregnant Solution Storage Ponds,
Extension of Deadline to Reclaim the Barren Pond

Dear Mr. Flechner:

We have received your letter requesting extension of the deadline for utilization of the pregnant and overflow storage ponds, and to reclaim the barren pond.

The Notice of Violation (NOV) and Order Docket No.UGW2004 (item No. 4) issued on March 7, 2000, requires North Lily to cease operation of the storage ponds on December 31, 2000. In the letter dated December 19, 2000, you request to continue using the pregnant and overflow ponds for solution storage and for enhanced evaporation system operation until the ponds are no longer required for fluid management. You also request to extend the deadline to reclaim the barren pond until you attain approval from the Division of Solid and Hazardous Waste to use the pond as a demolition/construction landfill.

We have reviewed the letter and hereby approve your request based on the following conditions:

1. According to recent inspections conducted by representatives from DWQ and DOGM, the upper portion of the pond liner at the northwest corner of the overflow pond still shows deterioration. Therefore, **North Lily must continue maintaining a water level limit of 4 feet or less of standing water in the overflow pond during the proposed operation.** Frequent inspection of water level in the pond must be performed in order to ensure that the level is maintained as required. In addition, the designated pumps and water lines must be regularly inspected and maintained for proper functioning to ensure that excess water is pumped back to pregnant pond without delay.

0007

February 1, 2001
Mr. Stephen Flechner, President
Page 2

2. The extension is granted for temporary use of the storage ponds during winter and early spring seasons to manage excess fluids. The pregnant and the overflow ponds must be permanently decommissioned and reclaimed on or before June 30, 2001. A pond closure plan summarizing the necessary procedures to reclaim the two ponds must be submitted to DWQ prior to this deadline. This deadline is consistent with the draft-revised-closure schedule provided to you by the Division of Oil, Gas and Mining.
3. The barren pond has been permanently decommissioned. North Lily must obtain permit/approval from the Division of Solid and Hazardous Waste to use the Barren Pond for disposal of construction and demolition debris.

Please contact Beth Wondimu of this office at (801) 538-6084 if you have any questions.

Sincerely,

UTAH WATER QUALITY BOARD



Don Ostler, P.E.
Executive Secretary

DOA:BAW:bjr

cc: **Mr. Wayne Hedberg**, Division of Oil, Gas and Mining
Central Utah Public Health Department